

Message Text

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60

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 AGR-20 AID-20 EB-11 RSC-01

COME-00 TRSE-00 SWF-02 CIAE-00 INR-10 NSAE-00 TAR-02

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9089

INFO AMEMBASSY BONN

AMEMBASSY DUBLIN

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY BRUSSELS

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

AMEMBASSY PARIS

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

UNCLAS LONDON 03863

PASS AGRICULTURE FOR FITZSIMMONS, FRUIT AND VEGETABLE
DIVISION; STARKEY, SUGAR AND TROPICAL PRODUCTS DIVISION;
SHARP, FATS AND OILS DIVISION GENEVA FOR GATT:

E.O. 11652: N/A

TAGS: EAGR

SUBJECT: UK BUDGET IMPOSES VAT ON SOFT DRINKS, FRUIT
JUICES, SUGAR AND CHOCOLATE CONFECTIONERY AND SALTED
NUTS

1. IN THE FIRST BUDGET OF THE NEW LABOUR GOVERNMENT
ANNOUNCED MARCH 26, 1974, THE STANDARD RATE OF VAT OF 10
PERCENT WAS APPLIED TO MANUFACTURED NON-ALCOHOLIC
BEVERAGES INCLUDING FRUIT JUICES AND BOTTLED WATER AND
PRODUCTS FOR THE PREPARATIONS OF THOSE BEVERAGES; SALTED
OR ROASTED NUTS; AS WELL AS ON ICE CREAM AND SIMILAR

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FROZEN PRODUCTS, CHOCOLATE AND SUGAR CONFECTIONERY AND

POTATO CRISPS AND SIMILAR PRODUCTS.

2. THESE WERE THE ITEMS ON WHICH AN 18 PERCENT PURCHASE TAX HAD BEEN CHARGED UNTIL THE INTRODUCTION OF VAT IN THE 1973 BUDGET. AT THAT TIME, THESE ITEMS WERE, FOR VAT PURPOSES, GIVEN A ZERO RATING ALONG WITH ALL OTHER FOODS. THE APPLICATION OF THE 10 PERCENT STANDARD VAT RATE TO THESE ITEMS BRINGS THEM BACK INTO THE TAX NET.

3. THE APPLICATION OF VAT TO THESE ITEMS COMES INTO FORCE APRIL 1.

ANNENBERG

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TAGS: EAGR
To: STATE
Type: TE
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